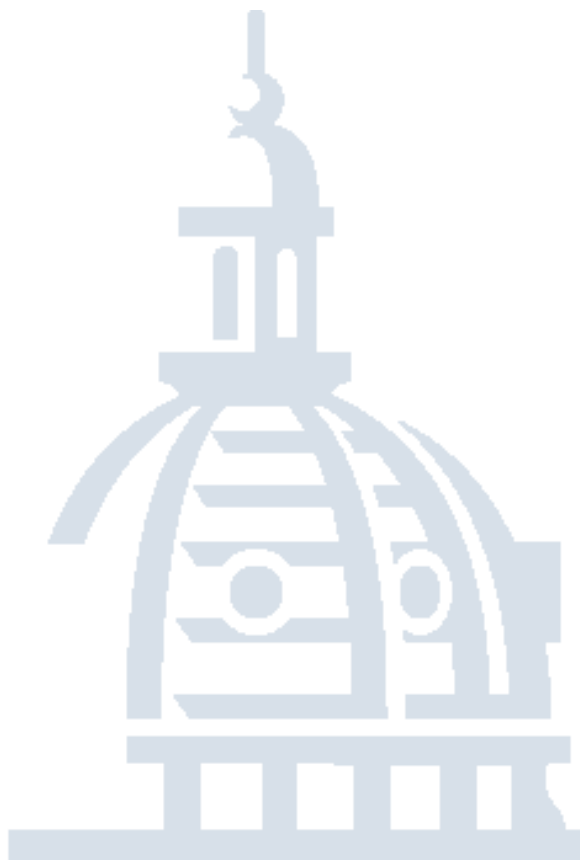


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# UNASSIGNED STANDING APPROPRIATIONS DETAILED ANALYSIS OF THE FY 2011 GOVERNOR'S RECOMMENDATIONS



**FISCAL SERVICES DIVISION**

**FEBRUARY 2010**





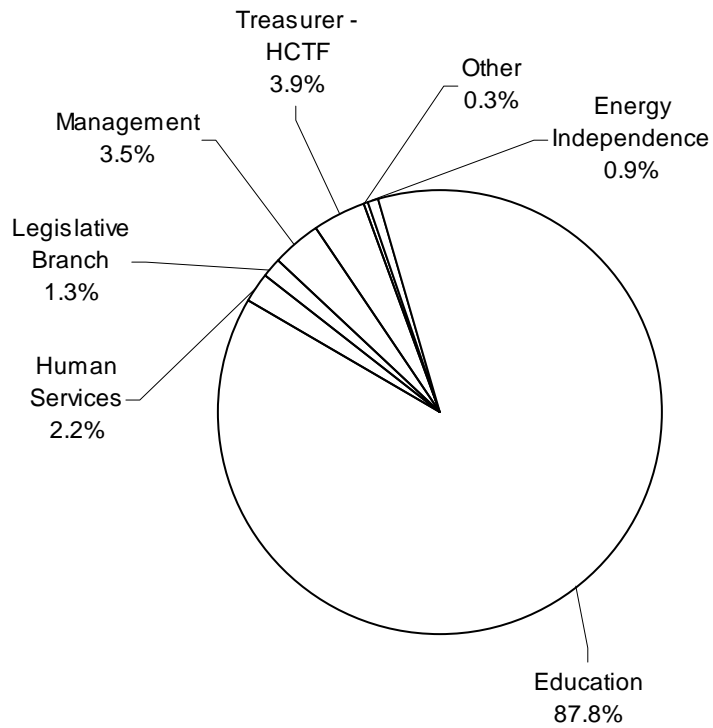
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## UNASSIGNED STANDING APPROPRIATIONS

**FY 2011 General Fund Governor's Recommendations**

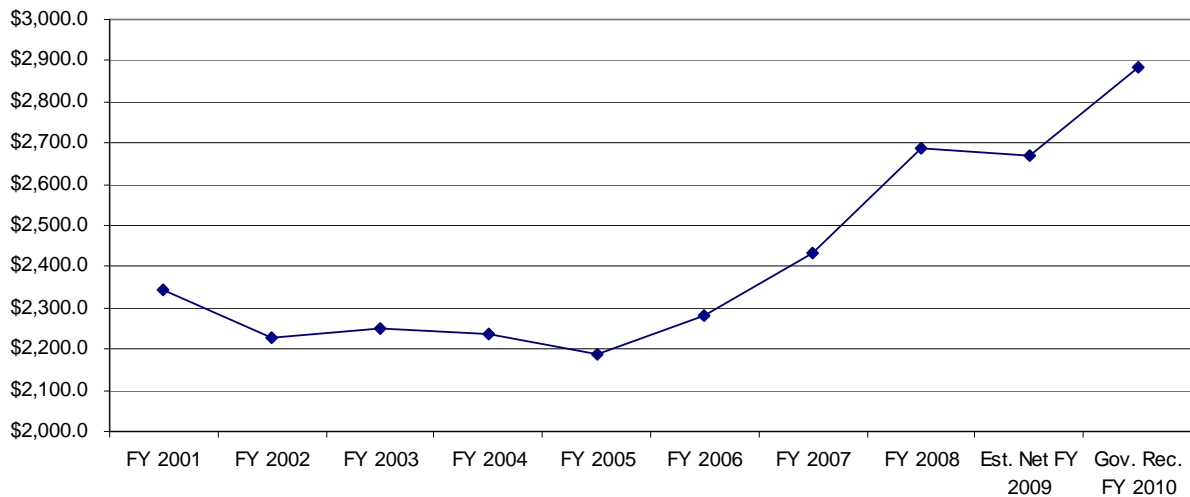


## Unassigned Standing Appropriations

### FY 2011 General Fund Governor's Recommendations

Administrative Services	\$ 3,050,117
Corrections	59,733
Cultural Affairs	443,300
Economic Development	862,028
Education	2,364,664,900
Energy Independence	25,000,000
Executive Council	1,919,847
Legislative Branch	36,009,827
Governor	3,032
Public Health	182,044
Human Services	58,761,946
Management	94,892,344
Public Defense	344,644
Revenue	144,243
Treasurer - HCTF	106,016,400
	<u>\$ 2,692,354,405</u>

**Historical General Fund Appropriations**  
(in millions)



## FY 2011 UNASSIGNED STANDING APPROPRIATIONS

### Unassigned Standing Appropriations

A significant portion of the General Fund budget is appropriated automatically by statute. These appropriations do not fall under the purview of a specific appropriations committee. There are two types of standing appropriations:

- Standing Limited Appropriations – These are appropriations of a specific dollar amount. An example is the appropriation to the Iowa Power Fund in Iowa Code 469.1(1) that states, “There is appropriated from the general fund of the state to the office of energy independence for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2011, the sum of twenty-five million dollars to be used for awarding grants and making loans from the Iowa power fund, and for all other purposes specified in and consistent with this subchapter.”
- Standing Unlimited Appropriations – These are appropriations of an unspecified dollar amount. An example is State aid for public schools pursuant to Iowa Code Section 257.16 that states, “There is appropriated each year from the General Fund of the State an amount necessary to pay the foundation aid, supplementary aid under section 257.4, subsection 2, and adjusted additional property tax levy aid under section 257.15, subsection 4.” The General Assembly may choose to place a dollar limit on a standing unlimited appropriation in a particular year to cap expenditures.

### General Fund Standing Appropriations by Department

Illustrated below are the General Fund standing appropriations for FY 2010 and proposed for FY 2011. These are the amounts specified in statute for the limited appropriations and the estimated need for the unlimited appropriations. The Governor is recommending a status quo budget for the majority of the unassigned standing appropriations. Exceptions include:

- State School Foundation Aid (Department of Education). The Governor is recommending an increase of \$199.6 million compared to the estimated FY 2010 appropriation. Additional detail about this increase is included in a separate overall section in this document titled “School Foundation Aid.”
- Child Development (Department of Education). The Governor is recommending an increase of \$1.1 million compared to the estimated FY 2010 appropriation. This increase reflects restoration of the 10.0% across-the-board (ATB) reduction implemented by the Governor’s Executive Order 19 in October 2009.
- Iowa Power Fund (Office of Energy Independence). The Governor is recommending an increase of \$3.4 million compared to the estimated FY 2010 appropriation. This increase reflects restoration of the 10.0% ATB.
- Legislative Branch. This appropriation reflects an increase of \$2.6 million compared to the estimated FY 2010 appropriation. This increase is for increased costs related to returning to a 110-day Session (rather than a shortened 80-day Session), Iowa Code publication, and the costs of redistricting.
- Registry for Inherited and Congenital Disorders (Birth Defects Registry – Department of Public Health). The Governor is recommending an increase of \$21,000 compared to the estimated FY 2010 appropriation. This increase reflects restoration of the 10.0% ATB.
- Mental Health Property Tax Relief (Department of Human Services – DHS). The Governor is recommending a decrease of \$15.0 million compared to estimated FY 2010. Under the Governor’s recommendation, this decrease will be offset with a transfer from the Cash Reserve Fund.
- Child Abuse Prevention (DHS). The Governor is recommending an increase of \$46,000 compared to the estimated FY 2010 appropriation. This increase reflects restoration of the 10.0% ATB.
- Economic Emergency Fund Appropriation (Department of Management). This decrease reflects the one-time transfer of funds from the Economic Emergency Fund to the General Fund to balance the FY 2009 budget.

## Unassigned Standing Appropriations

### General Fund Recommendations

	Estimated FY 2010	Gov Rec FY 2011	Gov Rec vs Est FY 2010
<b><u>Administrative Services, Dept. of</u></b>			
<b>State Accounting Trust Accounts</b>			
Federal Cash Management Standing	\$ 356,587	\$ 356,587	\$ 0
Unemployment Compensation-State Standing	440,371	440,371	0
Municipal Fire & Police Retirement	2,253,159	2,253,159	0
Sac Fox Attorney Costs	0	0	0
<b>Total Administrative Services, Dept. of</b>	<b>\$ 3,050,117</b>	<b>\$ 3,050,117</b>	<b>\$ 0</b>
<b><u>Cultural Affairs, Dept. of</u></b>			
County Endowment DCA Grants-AGR	\$ 443,300	\$ 443,300	\$ 0
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 443,300</b>	<b>\$ 443,300</b>	<b>\$ 0</b>
<b><u>Education, Dept. of</u></b>			
State Foundation School Aid	\$ 2,146,457,965	\$ 2,346,110,078	\$ 199,652,113
Child Development	10,344,502	11,493,891	1,149,389
Transportation of Nonpublic Pupils	7,060,931	7,060,931	0
<b>Total Education, Dept. of</b>	<b>\$ 2,163,863,398</b>	<b>\$ 2,364,664,900</b>	<b>\$ 200,801,502</b>
<b><u>Energy Independence</u></b>			
Iowa Power Fund	\$ 21,600,000	\$ 25,000,000	\$ 3,400,000
<b>Total Energy Independence</b>	<b>\$ 21,600,000</b>	<b>\$ 25,000,000</b>	<b>\$ 3,400,000</b>
<b><u>Executive Council</u></b>			
Performance of Duty	\$ 1,800,000	\$ 1,800,000	\$ 0
Court Costs	59,772	59,772	0
Drainage Assessment	20,227	20,227	0
Public Improvements	39,848	39,848	0
<b>Total Executive Council</b>	<b>\$ 1,919,847</b>	<b>\$ 1,919,847</b>	<b>\$ 0</b>
<b><u>Legislative Branch</u></b>			
Legislative Branch	\$ 33,410,448	\$ 36,009,827	\$ 2,599,379
<b>Total Legislative Branch</b>	<b>\$ 33,410,448</b>	<b>\$ 36,009,827</b>	<b>\$ 2,599,379</b>
<b><u>Public Health, Dept. of</u></b>			
Reg. for Congenital & Inherited Disorders	\$ 161,360	\$ 182,044	\$ 20,684
<b>Total Public Health, Dept. of</b>	<b>\$ 161,360</b>	<b>\$ 182,044</b>	<b>\$ 20,684</b>
<b><u>Human Services, Dept. of</u></b>			
<b>General Administration</b>			
Commission of Inquiry	\$ 1,394	\$ 1,394	\$ 0
Non Resident Transfers	67	67	0
Non Resident Commitment Mental Illness	142,802	142,802	0
<b>Total General Administration</b>	<b>\$ 144,263</b>	<b>\$ 144,263</b>	<b>\$ 0</b>



	Estimated FY 2010	Gov Rec FY 2011	Gov Rec vs Est FY 2010
<b><u>Human Services, Dept. of, cont.</u></b>			
<b>Assistance</b>			
MH Property Tax Relief	\$ 73,399,911	\$ 58,399,911	\$ -15,000,000
Child Abuse Prevention	174,076	217,772	43,696
<b>Total Assistance</b>	<u>\$ 73,573,987</u>	<u>\$ 58,617,683</u>	<u>\$ -14,956,304</u>
<b>Total Human Services, Dept. of</b>	<u>\$ 73,718,250</u>	<u>\$ 58,761,946</u>	<u>\$ -14,956,304</u>
<b><u>Management, Dept. of</u></b>			
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 0
Appeal Board Claims	3,586,307	3,586,307	0
Economic Emergency Fund Appropriation	45,327,400	0	-45,327,400
Property Tax Credit Fund	91,256,037	91,256,037	0
<b>Total Management, Dept. of</b>	<u>\$ 140,219,744</u>	<u>\$ 94,892,344</u>	<u>\$ -45,327,400</u>
<b><u>Revenue, Dept. of</u></b>			
Printing Cigarette Stamps	\$ 124,652	\$ 124,652	\$ 0
Tobacco Reporting Requirements	19,591	19,591	0
<b>Total Revenue, Dept. of</b>	<u>\$ 144,243</u>	<u>\$ 144,243</u>	<u>\$ 0</u>
<b><u>Treasurer of State</u></b>			
Health Care Trust Fund Transfer	\$ 106,016,400	\$ 106,016,400	\$ 0
<b>Total Treasurer of State</b>	<u>\$ 106,016,400</u>	<u>\$ 106,016,400</u>	<u>\$ 0</u>
<b><u>Corrections, Dept. of</u></b>			
<b>Central Office</b>			
State Cases Court Costs	\$ 59,733	\$ 59,733	\$ 0
<b>Total Corrections, Dept. of</b>	<u>\$ 59,733</u>	<u>\$ 59,733</u>	<u>\$ 0</u>
<b><u>Economic Development, Dept. of</u></b>			
Tourism Marketing - AGR	\$ 862,028	\$ 862,028	\$ 0
Grow Iowa Values Fund	0	0	0
<b>Total Economic Development, Dept. of</b>	<u>\$ 862,028</u>	<u>\$ 862,028</u>	<u>\$ 0</u>
<b><u>Governor</u></b>			
Interstate Extradition	\$ 3,032	\$ 3,032	\$ 0
<b>Total Governor</b>	<u>\$ 3,032</u>	<u>\$ 3,032</u>	<u>\$ 0</u>
<b><u>Public Defense, Dept. of</u></b>			
Compensation and Expense	\$ 344,644	\$ 344,644	\$ 0
<b>Total Public Defense, Dept. of</b>	<u>\$ 344,644</u>	<u>\$ 344,644</u>	<u>\$ 0</u>
<b>Total Unassigned Standings</b>	<u>\$ 2,545,816,544</u>	<u>\$ 2,692,354,405</u>	<u>\$ 146,537,861</u>

## Issues

**Supplemental Appropriation for FY 2010** – The Governor is recommending an FY 2010 supplemental appropriation of \$1.1 million for the Child Development standing appropriation. This appropriation would restore the FY 2010 10.0% General Fund across-the-board reduction implemented in October 2009. The Child Development Program provides grants to school districts, area education agencies, and other programs designed to help at-risk students. The Program is a designated standing appropriation of \$12.7

## Unassigned Standing Appropriations

million. The 2009 General Assembly limited the Child Development Program standing appropriation to \$11.5 million in SF 478 (FY 2010 Standing Appropriations Act).

### Other Fund Recommendations

	Estimated FY 2010	Gov Rec FY 2011	Gov Rec vs Est FY 2010
<b><u>Executive Council</u></b>			
Cash Reserve Fund Appropriation	\$ 25,600,000	\$ 30,000,000	\$ 4,400,000
<b>Total Executive Council</b>	<b>\$ 25,600,000</b>	<b>\$ 30,000,000</b>	<b>\$ 4,400,000</b>
<b><u>Legislative Branch</u></b>			
LSA - Health Care Coverage Commission	\$ 315,000	\$ 0	\$ -315,000
LSA - Operations - FRRF	100,000	0	-100,000
<b>Total Legislative Branch</b>	<b>\$ 415,000</b>	<b>\$ 0</b>	<b>\$ -415,000</b>
<b><u>Human Services, Dept. of</u></b>			
<b><u>Assistance</u></b>			
MH Costs for Children-PTRF	\$ 3,271,911	\$ 3,271,911	\$ 0
<b>Total Human Services, Dept. of</b>	<b>\$ 3,271,911</b>	<b>\$ 3,271,911</b>	<b>\$ 0</b>
<b><u>Management, Dept. of</u></b>			
Environment First Fund-RIIF	\$ 42,000,000	\$ 35,000,000	\$ -7,000,000
Technology Reinvestment Fund-RIIF	14,525,000	10,000,000	-4,525,000
<b>Total Management, Dept. of</b>	<b>\$ 56,525,000</b>	<b>\$ 45,000,000</b>	<b>\$ -11,525,000</b>
<b><u>Revenue, Dept. of</u></b>			
Homestead Property Tax Credit - PTCF	\$ 94,216,619	\$ 90,407,718	\$ -3,808,901
Ag. Land/Family Farm Tax Credits-PTCF	32,395,131	32,395,131	0
Military Service Tax Credit - PTCF	2,370,995	2,370,995	0
Elderly & Disabled Tax Credit-PTCF	20,779,200	20,779,200	0
<b>Total Revenue, Dept. of</b>	<b>\$ 149,761,945</b>	<b>\$ 145,953,044</b>	<b>\$ -3,808,901</b>
<b><u>Transportation, Dept. of</u></b>			
Personal Delivery of Services-RUTF	\$ 225,000	\$ 225,000	\$ 0
County Treasurer Equipment-RUTF	650,000	650,000	0
<b>Total Transportation, Dept. of</b>	<b>\$ 875,000</b>	<b>\$ 875,000</b>	<b>\$ 0</b>
<b><u>Education, Dept. of</u></b>			
State Foundation Aid - ARRA	\$ 202,546,705	\$ 47,947,887	\$ -154,598,818
Teacher Professional Development - FRRF	2,000,000	0	-2,000,000
Instructional Support - FRRF	13,103,950	0	-13,103,950
State Foundation Aid - Cash Reserve Fund	0	100,000,000	100,000,000
<b>Total Education, Dept. of</b>	<b>\$ 217,650,655</b>	<b>\$ 147,947,887</b>	<b>\$ -69,702,768</b>

### Property Tax Credits for FY 2010 and FY 2011

The Homestead Property Tax Credit, the Agricultural Land and Family Farm Tax Credit, the Military Service Tax Credit, and the Elderly and Disabled Tax Credit and Rent Reimbursement are funded from the FY 2010 Property Tax Credit Fund (PTCF). The PTCF received FY 2010 appropriations of \$101.4 million from the General Fund and \$54.7 million from the Cash Reserve Fund and the transfer of \$3.8 million from the ending balance of the FY 2009 Property Tax Credit Fund. The tax credits were to receive the following amounts from the PTCF:

- Homestead Property Tax Credit – \$100.7 million.
- Agricultural Land and Family Farm Tax Credit – \$34.6 million.
- Military Service Tax Credit – \$2.4 million.
- Elderly and Disabled Tax Credit and Rent Reimbursement – \$22.2 million.

A 10.0% ATB General Fund reduction was announced in October 2009. At that time, funds for the Military Service Tax Credit and the Agricultural Land portion of the Agricultural Land and Family Farm Tax Credit had already been expended, so no reduction was applied. The Homestead Property Tax credit was reduced by \$4.2 million, and the Family Farm portion of the Agricultural Land and Family Farm Tax Credit was reduced by \$2.2 million, for a total reduction of \$6.4 million.

Section 9 of SF 478 (FY 2010 Standing Appropriations Act) requires the Elderly Property Tax Credit and Rent Reimbursement Credit to be paid at the percentage estimated by the Director of the Department of Revenue based upon data submitted by the county treasurers. The estimate provided on June 15, 2009, was for 100.0% reimbursement. Therefore, all elderly credit claims are to be paid at that 100.0% rate established pursuant to Iowa Code Section 25B.7 until the credits can no longer be paid, and then any remaining claims are held over and paid in the subsequent fiscal year. For FY 2010, approximately \$6.1 million of the original Elderly Credit appropriation goes to the county for the property tax credit and \$16.1 million goes to rent reimbursement claims filed by individuals directly with the Department of Revenue. The 100.0% total of \$6.1 million for the Elderly Credit will be paid to the counties. Funding for the individual rent reimbursement claims is projected to be exhausted in April of 2010. At that time, all further claims will be held for payment in FY 2011.

The FY 2010 shortfall in rent reimbursement is expected to be \$1.4 million. If funding remains at the current reduced level for FY 2011, the Director's June 2009 estimate would require both the Elderly Property Tax Credit and rent reimbursements to be prorated to approximately 90.0% of the amount claimed. Additional information regarding the property tax credits can be found in the Projected FY 2011 Built-on and Anticipated General Fund Expenditures section (**Appendix B**).

*The Governor is recommending that in FY 2011 the Property Tax Credit Fund be funded by an appropriation of \$91.3 million from the General Fund and \$54.7 million from the Cash Reserve Fund for total funds available of \$146.0 million. The Governor's recommendation funds the property tax credits as follows:*

- *\$90.4 million for the Homestead Property Tax Credit. This is a decrease of \$3.8 million compared to the estimated net FY 2010 appropriation. The Department of Revenue's projected FY 2011 demand for Homestead Property Tax Credit claims is \$136.2 million. The recommended funding level is \$45.8 million less than the projected demand.*
- *\$32.4 million for the Agricultural Land and Family Farm Tax Credit. This is no change compared to the estimated net FY 2010 appropriation. The statutory funding for Agricultural Land and Family Farm Tax Credit is \$39.1 million. The recommended funding level is \$6.7 million less than the statutory amount.*
- *\$2.4 million for the Military Service Tax Credit. This is no change compared to the estimated net FY 2010 appropriation. The recommended funding level is estimated to meet the projected FY 2011 demand.*
- *\$20.8 million for the Elderly and Disabled Tax Credit and Reimbursement. This is no change compared to the estimated net FY 2010 appropriation. The recommended funding level is \$2.6 million less than the projected demand.*

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# **Appendix A**

## **General Fund Tracking**



# Unassigned Standings

## General Fund

	Actual FY 2009 (1)	Estimated FY 2010 (2)	Gov Rec Supp FY 2010 (3)	Gov Rec Net FY 2010 (4)	Gov Rec FY 2011 (5)	Gov Rec FY 11 vs Gov Rec Net FY 10 (6)	Percent Change (7)
<b><u>Administrative Services, Dept. of</u></b>							
State Accounting Trust Accounts							
Federal Cash Management Standing	\$ 559,953	\$ 356,587	\$ 0	\$ 356,587	\$ 356,587	\$ 0	0.0%
Unemployment Compensation-State Standing	597,553	440,371	0	440,371	440,371	0	0.0%
Municipal Fire & Police Retirement	2,704,597	2,253,159	0	2,253,159	2,253,159	0	0.0%
Sac Fox Attorney Costs	1,953	0	0	0	0	0	0.0%
<b>Total Administrative Services, Dept. of</b>	<b>\$ 3,864,056</b>	<b>\$ 3,050,117</b>	<b>\$ 0</b>	<b>\$ 3,050,117</b>	<b>\$ 3,050,117</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Cultural Affairs, Dept. of</u></b>							
Cultural Affairs, Dept. of							
County Endowment DCA Grants-AGR	\$ 512,200	\$ 443,300	\$ 0	\$ 443,300	\$ 443,300	\$ 0	0.0%
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 512,200</b>	<b>\$ 443,300</b>	<b>\$ 0</b>	<b>\$ 443,300</b>	<b>\$ 443,300</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Education, Dept. of</u></b>							
Education, Dept. of							
State Foundation School Aid	\$ 2,155,814,794	\$ 2,146,457,965	\$ 0	\$ 2,146,457,965	\$ 2,346,110,078	\$ 199,652,113	9.3%
Child Development	12,417,103	10,344,502	1,149,389	11,493,891	11,493,891	0	0.0%
Early Intervention Block Grant	29,250,000	0	0	0	0	0	0.0%
Instructional Support	14,211,828	0	0	0	0	0	0.0%
Teacher Excellence Program	54,637,017	0	0	0	0	0	0.0%
Transportation of Nonpublic Pupils	8,475,643	7,060,931	0	7,060,931	7,060,931	0	0.0%
<b>Total Education, Dept. of</b>	<b>\$ 2,274,806,385</b>	<b>\$ 2,163,863,398</b>	<b>\$ 1,149,389</b>	<b>\$ 2,165,012,787</b>	<b>\$ 2,364,664,900</b>	<b>\$ 199,652,113</b>	<b>9.2%</b>
<b><u>Energy Independence</u></b>							
Office of Energy Independence							
Iowa Power Fund	\$ 24,625,000	\$ 21,600,000	\$ 0	\$ 21,600,000	\$ 25,000,000	\$ 3,400,000	15.7%
<b>Total Energy Independence</b>	<b>\$ 24,625,000</b>	<b>\$ 21,600,000</b>	<b>\$ 0</b>	<b>\$ 21,600,000</b>	<b>\$ 25,000,000</b>	<b>\$ 3,400,000</b>	<b>15.7%</b>

# Unassigned Standings

## General Fund

	Actual FY 2009 (1)	Estimated FY 2010 (2)	Gov Rec Supp FY 2010 (3)	Gov Rec Net FY 2010 (4)	Gov Rec FY 2011 (5)	Gov Rec FY 11 vs Gov Rec Net FY 10 (6)	Percent Change (7)
<b><u>Executive Council</u></b>							
Executive Council							
Performance of Duty	\$ 21,578,911	\$ 1,800,000	\$ 0	\$ 1,800,000	\$ 1,800,000	\$ 0	0.0%
Court Costs	21,135	59,772	0	59,772	59,772	0	0.0%
Drainage Assessment	41,236	20,227	0	20,227	20,227	0	0.0%
Public Improvements	0	39,848	0	39,848	39,848	0	0.0%
<b>Total Executive Council</b>	<b>\$ 21,641,282</b>	<b>\$ 1,919,847</b>	<b>\$ 0</b>	<b>\$ 1,919,847</b>	<b>\$ 1,919,847</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Legislative Branch</u></b>							
Legislative Services Agency							
Legislative Branch	\$ 34,952,603	\$ 33,410,448	\$ -3,340,411	\$ 30,070,037	\$ 36,009,827	\$ 5,939,790	19.8%
<b>Total Legislative Branch</b>	<b>\$ 34,952,603</b>	<b>\$ 33,410,448</b>	<b>\$ -3,340,411</b>	<b>\$ 30,070,037</b>	<b>\$ 36,009,827</b>	<b>\$ 5,939,790</b>	<b>19.8%</b>
<b><u>Public Health, Dept. of</u></b>							
Public Health, Dept. of							
Reg. for Congenital & Inherited Disorders	\$ 219,192	\$ 161,360	\$ 20,684	\$ 182,044	\$ 182,044	\$ 0	0.0%
<b>Total Public Health, Dept. of</b>	<b>\$ 219,192</b>	<b>\$ 161,360</b>	<b>\$ 20,684</b>	<b>\$ 182,044</b>	<b>\$ 182,044</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Human Services, Dept. of</u></b>							
General Administration							
Commission of Inquiry	\$ 1,680	\$ 1,394	\$ 0	\$ 1,394	\$ 1,394	\$ 0	0.0%
Non Resident Transfers	81	67	0	67	67	0	0.0%
Non Resident Commitment Mental Illness	172,083	142,802	0	142,802	142,802	0	0.0%
<b>Total General Administration</b>	<b>\$ 173,844</b>	<b>\$ 144,263</b>	<b>\$ 0</b>	<b>\$ 144,263</b>	<b>\$ 144,263</b>	<b>\$ 0</b>	<b>0.0%</b>
Assistance							
MH Property Tax Relief	\$ 94,901,000	\$ 73,399,911	\$ 0	\$ 73,399,911	\$ 58,399,911	\$ -15,000,000	-20.4%
Child Abuse Prevention	219,192	174,076	0	174,076	217,772	43,696	25.1%
<b>Total Assistance</b>	<b>\$ 95,120,192</b>	<b>\$ 73,573,987</b>	<b>\$ 0</b>	<b>\$ 73,573,987</b>	<b>\$ 58,617,683</b>	<b>\$ -14,956,304</b>	<b>-20.3%</b>
<b>Total Human Services, Dept. of</b>	<b>\$ 95,294,036</b>	<b>\$ 73,718,250</b>	<b>\$ 0</b>	<b>\$ 73,718,250</b>	<b>\$ 58,761,946</b>	<b>\$ -14,956,304</b>	<b>-20.3%</b>



# Unassigned Standings

## General Fund

	Actual FY 2009 (1)	Estimated FY 2010 (2)	Gov Rec Supp FY 2010 (3)	Gov Rec Net FY 2010 (4)	Gov Rec FY 2011 (5)	Gov Rec FY 11 vs Gov Rec Net FY 10 (6)	Percent Change (7)
<b>Management, Dept. of</b>							
<b>Management, Dept. of</b>							
Special Olympics Fund	\$ 50,000	\$ 50,000	\$ 0	\$ 50,000	\$ 50,000	\$ 0	0.0%
Indian Settlement Officer	24,625	0	0	0	0	0	0.0%
Appeal Board Claims	5,630,880	3,586,307	0	3,586,307	3,586,307	0	0.0%
Economic Emergency Fund Appropriation	0	45,327,400	0	45,327,400	0	-45,327,400	-100.0%
Property Tax Credit Fund	43,734,000	91,256,037	0	91,256,037	91,256,037	0	0.0%
<b>Total Management, Dept. of</b>	<b>\$ 49,439,505</b>	<b>\$ 140,219,744</b>	<b>\$ 0</b>	<b>\$ 140,219,744</b>	<b>\$ 94,892,344</b>	<b>\$ -45,327,400</b>	<b>-32.3%</b>
<b>Revenue, Dept. of</b>							
<b>Revenue, Dept. of</b>							
Printing Cigarette Stamps	\$ 112,177	\$ 124,652	\$ 0	\$ 124,652	\$ 124,652	\$ 0	0.0%
Livestock Producers Credit	1,970,000	0	0	0	0	0	0.0%
Refund Cigarette Stamps	0	0	0	0	0	0	0.0%
Refund Income Corp & Franchise Sale	0	0	0	0	0	0	0.0%
Tobacco Products Tax Refund	0	0	0	0	0	0	0.0%
Inheritance Refund	0	0	0	0	0	0	0.0%
Tobacco Reporting Requirements	24,625	19,591	0	19,591	19,591	0	0.0%
<b>Total Revenue, Dept. of</b>	<b>\$ 2,106,802</b>	<b>\$ 144,243</b>	<b>\$ 0</b>	<b>\$ 144,243</b>	<b>\$ 144,243</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Secretary of State</b>							
<b>Secretary of State</b>							
Constitutional Amendments	\$ 1,226	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0.0%
<b>Total Secretary of State</b>	<b>\$ 1,226</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Treasurer of State</b>							
<b>Treasurer of State</b>							
Health Care Trust Fund Transfer	\$ 125,686,000	\$ 106,016,400	\$ 0	\$ 106,016,400	\$ 106,016,400	\$ 0	0.0%
<b>Total Treasurer of State</b>	<b>\$ 125,686,000</b>	<b>\$ 106,016,400</b>	<b>\$ 0</b>	<b>\$ 106,016,400</b>	<b>\$ 106,016,400</b>	<b>\$ 0</b>	<b>0.0%</b>

# Unassigned Standings

## General Fund

	Actual FY 2009 (1)	Estimated FY 2010 (2)	Gov Rec Supp FY 2010 (3)	Gov Rec Net FY 2010 (4)	Gov Rec FY 2011 (5)	Gov Rec FY 11 vs Gov Rec Net FY 10 (6)	Percent Change (7)
<u>Corrections, Dept. of</u>							
Central Office							
State Cases Court Costs	\$ 0	\$ 59,733	\$ 0	\$ 59,733	\$ 59,733	\$ 0	0.0%
<b>Total Corrections, Dept. of</b>	<b>\$ 0</b>	<b>\$ 59,733</b>	<b>\$ 0</b>	<b>\$ 59,733</b>	<b>\$ 59,733</b>	<b>\$ 0</b>	<b>0.0%</b>
<u>Economic Development, Dept. of</u>							
Economic Development, Dept. of							
Tourism Marketing - AGR	\$ 1,107,524	\$ 862,028	\$ 0	\$ 862,028	\$ 862,028	\$ 0	0.0%
Grow Iowa Values Fund	-81	0	0	0	0	0	0.0%
<b>Total Economic Development, Dept. of</b>	<b>\$ 1,107,443</b>	<b>\$ 862,028</b>	<b>\$ 0</b>	<b>\$ 862,028</b>	<b>\$ 862,028</b>	<b>\$ 0</b>	<b>0.0%</b>
<u>Governor</u>							
Governor's Office							
Interstate Extradition	\$ 0	\$ 3,032	\$ 0	\$ 3,032	\$ 3,032	\$ 0	0.0%
<b>Total Governor</b>	<b>\$ 0</b>	<b>\$ 3,032</b>	<b>\$ 0</b>	<b>\$ 3,032</b>	<b>\$ 3,032</b>	<b>\$ 0</b>	<b>0.0%</b>
<u>Public Defense, Dept. of</u>							
Public Defense, Dept. of							
Compensation and Expense	\$ -5,797,022	\$ 344,644	\$ 0	\$ 344,644	\$ 344,644	\$ 0	0.0%
<b>Total Public Defense, Dept. of</b>	<b>\$ -5,797,022</b>	<b>\$ 344,644</b>	<b>\$ 0</b>	<b>\$ 344,644</b>	<b>\$ 344,644</b>	<b>\$ 0</b>	<b>0.0%</b>
<b>Total Unassigned Standings</b>	<b>\$ 2,628,458,707</b>	<b>\$ 2,545,816,544</b>	<b>\$ -2,170,338</b>	<b>\$ 2,543,646,206</b>	<b>\$ 2,692,354,405</b>	<b>\$ 148,708,199</b>	<b>5.8%</b>

# **Appendix B**

## **Other Funds Tracking**



# Unassigned Standings

## Other Funds

	Actual FY 2009 (1)	Estimated FY 2010 (2)	Gov Rec FY 2011 (3)	Gov Rec vs Est FY 2010 (4)	Percent Change (5)
<b><u>Executive Council</u></b>					
Executive Council					
Cash Reserve Fund Appropriation	\$ 0	\$ 25,600,000	\$ 30,000,000	\$ 4,400,000	17.2%
<b>Total Executive Council</b>	<b>\$ 0</b>	<b>\$ 25,600,000</b>	<b>\$ 30,000,000</b>	<b>\$ 4,400,000</b>	<b>17.2%</b>
<b><u>Legislative Branch</u></b>					
Legislative Services Agency					
LSA - Health Care Coverage Commission	\$ 0	\$ 315,000	\$ 0	\$ -315,000	-100.0%
LSA - Operations - FRRF	0	100,000	0	-100,000	-100.0%
<b>Total Legislative Branch</b>	<b>\$ 0</b>	<b>\$ 415,000</b>	<b>\$ 0</b>	<b>\$ -415,000</b>	<b>-100.0%</b>
<b><u>Human Services, Dept. of</u></b>					
Assistance					
MH Costs for Children-PTRF	\$ 6,501,000	\$ 3,271,911	\$ 3,271,911	\$ 0	0.0%
<b>Total Human Services, Dept. of</b>	<b>\$ 6,501,000</b>	<b>\$ 3,271,911</b>	<b>\$ 3,271,911</b>	<b>\$ 0</b>	<b>0.0%</b>
<b><u>Management, Dept. of</u></b>					
Management, Dept. of					
Environment First Fund-RIIF	\$ 42,000,000	\$ 42,000,000	\$ 35,000,000	\$ -7,000,000	-16.7%
Appeal Board Claims-HITT	28,742	0	0	0	0.0%
Primary Road Salary Adjustment	565,608	0	0	0	0.0%
Road Use Tax Salary Adjustment	621,696	0	0	0	0.0%
Technology Reinvestment Fund-RIIF	17,500,000	14,525,000	10,000,000	-4,525,000	-31.2%
Property Tax Credit Fund	0	54,684,481	54,684,481	0	0.0%
<b>Total Management, Dept. of</b>	<b>\$ 60,716,046</b>	<b>\$ 111,209,481</b>	<b>\$ 99,684,481</b>	<b>\$ -11,525,000</b>	<b>-10.4%</b>
<b><u>Revenue, Dept. of</u></b>					
Revenue, Dept. of					
Homestead Property Tax Credit - PTCF	\$ 99,254,781	\$ 94,216,619	\$ 90,407,718	\$ -3,808,901	-4.0%
Ag. Land/Family Farm Tax Credits-PTCF	34,610,183	32,395,131	32,395,131	0	0.0%
Military Service Tax Credit - PTCF	2,800,000	2,370,995	2,370,995	0	0.0%
Elderly & Disabled Tax Credit-PTCF	23,204,000	20,779,200	20,779,200	0	0.0%
<b>Total Revenue, Dept. of</b>	<b>\$ 159,868,964</b>	<b>\$ 149,761,945</b>	<b>\$ 145,953,044</b>	<b>\$ -3,808,901</b>	<b>-2.5%</b>

# Unassigned Standings

## Other Funds

	Actual FY 2009	Estimated FY 2010	Gov Rec FY 2011	Gov Rec vs Est FY 2010	Percent Change
	(1)	(2)	(3)	(4)	(5)
<u>Transportation, Dept. of</u>					
Transportation, Dept. of					
Personal Delivery of Services-RUTF	\$ 225,000	\$ 225,000	\$ 225,000	\$ 0	0.0%
County Treasurer Equipment-RUTF	650,000	650,000	650,000	0	0.0%
<b>Total Transportation, Dept. of</b>	<b>\$ 875,000</b>	<b>\$ 875,000</b>	<b>\$ 875,000</b>	<b>\$ 0</b>	<b>0.0%</b>
<u>Education, Dept. of</u>					
Education, Dept. of					
State Foundation Aid - ARRA	\$ 40,000,000	\$ 202,546,705	\$ 47,947,887	\$ -154,598,818	-76.3%
Teacher Professional Development - FRRF	0	2,000,000	0	-2,000,000	-100.0%
Instructional Support - FRRF	0	13,103,950	0	-13,103,950	-100.0%
State Foundation Aid - Cash Reserve Fund	0	0	100,000,000	100,000,000	0.0%
<b>Total Education, Dept. of</b>	<b>\$ 40,000,000</b>	<b>\$ 217,650,655</b>	<b>\$ 147,947,887</b>	<b>\$ -69,702,768</b>	<b>-32.0%</b>
<b>Total Unassigned Standings</b>	<b>\$ 267,961,010</b>	<b>\$ 508,783,992</b>	<b>\$ 427,732,323</b>	<b>\$ -81,051,669</b>	<b>-15.9%</b>

# **Appendix C**

## **FTE Positions Tracking**





# Unassigned Standings

## FTE

	Actual FY 2009 (1)	Final Action FY 2010 (2)	Estimated FY 2010 (3)	Est FY 2010 vs Final Action (4)	Gov Rec FY 2011 (5)	Gov Rec vs Final Action FY 10 (6)
<b><u>Education, Dept. of</u></b>						
Education, Dept. of						
Teacher Excellence Program	2.53	2.38	0.00	-2.38	0.00	-2.38
Preschool Foundation Aid Formula	0.00	3.00	0.00	-3.00	0.00	-3.00
<b>Total Education, Dept. of</b>	<b>2.53</b>	<b>5.38</b>	<b>0.00</b>	<b>-5.38</b>	<b>0.00</b>	<b>-5.38</b>
<b><u>Energy Independence</u></b>						
Office of Energy Independence						
Budget Unit 30100000956	4.81	0.00	24.00	24.00	22.00	22.00
Iowa Power Fund	0.00	4.00	0.00	-4.00	0.00	-4.00
<b>Total Energy Independence</b>	<b>4.81</b>	<b>4.00</b>	<b>24.00</b>	<b>20.00</b>	<b>22.00</b>	<b>18.00</b>
<b><u>Legislative Branch</u></b>						
House of Representatives						
House	179.28	0.00	600.00	600.00	0.00	0.00
Senate						
Senate	112.20	0.00	0.00	0.00	0.00	0.00
Joint Expenses of Legislature						
Joint Legislative Expenses	16.35	0.00	300.00	300.00	0.00	0.00
Citizens' Aide, Office of						
Citizens Aide	16.37	0.00	0.00	0.00	0.00	0.00
Legislative Services Agency						
Legislative Services Agency	102.06	0.00	18.00	18.00	0.00	0.00
Legislative Branch	0.00	459.00	0.00	-459.00	0.00	-459.00
<b>Total Legislative Services Agency</b>	<b>102.06</b>	<b>459.00</b>	<b>18.00</b>	<b>-441.00</b>	<b>0.00</b>	<b>-459.00</b>
<b>Total Legislative Branch</b>	<b>426.26</b>	<b>459.00</b>	<b>918.00</b>	<b>459.00</b>	<b>0.00</b>	<b>-459.00</b>
<b><u>Management, Dept. of</u></b>						
Management, Dept. of						
Appeal Board Claims	1.00	0.00	1.00	1.00	1.00	1.00
<b>Total Management, Dept. of</b>	<b>1.00</b>	<b>0.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
<b><u>Public Defense, Dept. of</u></b>						
Public Defense, Dept. of						
Compensation and Expense	0.45	0.45	0.45	0.00	0.00	-0.45
<b>Total Public Defense, Dept. of</b>	<b>0.45</b>	<b>0.45</b>	<b>0.45</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.45</b>
<b>Total Unassigned Standings</b>	<b>435.06</b>	<b>468.83</b>	<b>943.45</b>	<b>474.62</b>	<b>23.00</b>	<b>-445.83</b>



# **Appendix D**

**FY 2010 – 10.0%**

**Across-the-Board (ATB)**

**Reduction**

**Implementation Plans**



## UNASSIGNED STANDING APPROPRIATIONS

A significant portion of the General Fund budget is appropriated automatically by statute. These appropriations do not fall under the purview of a specific appropriations committee. There are two types of standing appropriations:

- **Standing Limited Appropriations.** These are appropriations of a specific dollar amount. An example is the Iowa Power Fund appropriation in Iowa Code Sec. 469.10, that states, *"There is appropriated from the general fund of the state to the office of energy independence for each fiscal year of the fiscal period beginning July 1, 2008, and ending June 30, 2011, the sum of twenty-five million dollars to be used for awarding grants and making loans from the Iowa power fund, and for all other purposes specified in and consistent with this subchapter."* However, during the 2009 Legislative Session, SF 478 (FY 2010 Standing Appropriations Act) capped the standing appropriation at \$20.0 million and made an additional one-time appropriation of \$4.0 million, for a total of \$24.0 million for FY 2010.
- **Standing Unlimited Appropriations.** These are appropriations of an unspecified dollar amount. An example is State aid for public schools pursuant to Iowa Code Section 257.16 that states, *"There is appropriated each year from the General Fund of the State an amount necessary to pay the foundation aid, supplementary aid under section 257.4, subsection 2, and adjusted additional property tax levy aid under section 257.15, subsection 4."*

### General Fund Standing Appropriation ATB Reductions by Department

Illustrated below are the General Fund ATB reductions for standing appropriations for FY 2010. These reductions total \$274.1 million. The most significant standing appropriation reduction for FY 2010 is the State aid for public schools reduction of \$238.5 million. This accounts for 87.0% of the total reduction to standing appropriations. This reduction is discussed in more detail in the School Aid section of this document. Other significant reductions (more than \$1.0 million) include:

- \$1.2 million for child development (Department of Education)
- \$2.4 million for the Office of Energy Independence
- \$8.2 million for mental health property tax relief (Department of Human Services)
- \$10.1 million for the Property Tax Credit Fund (Department of Management)
- \$11.8 million for the Health Care Trust Fund transfer (Treasurer of State)

The standing appropriation reductions by department include:

### Department of Administrative Services

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<b>Administrative Services, Dept. of</b>			
<b>State Accounting Trust Accounts</b>			
Federal Cash Management Standing	\$ 396,208	\$ -39,621	\$ 356,587
Unemployment Compensation-State Standing	489,301	-48,930	440,371
Municipal Fire & Police Retirement	2,503,510	-250,351	2,253,159
<b>Total Administrative Services, Dept. of</b>	<b>\$ 3,389,019</b>	<b>\$ -338,902</b>	<b>\$ 3,050,117</b>

### Department of Corrections

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<u>Corrections, Dept. of</u>			
Central Office			
State Cases Court Costs	\$ 66,370	\$ -6,637	\$ 59,733
<b>Total Corrections, Dept. of</b>	<b>\$ 66,370</b>	<b>\$ -6,637</b>	<b>\$ 59,733</b>

### Department of Cultural Affairs

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<u>Cultural Affairs, Dept. of</u>			
Cultural Affairs, Dept. of			
County Endowment DCA Grants-AGR	\$ 452,783	\$ -9,483	\$ 443,300
<b>Total Cultural Affairs, Dept. of</b>	<b>\$ 452,783</b>	<b>\$ -9,483</b>	<b>\$ 443,300</b>

### Department of Economic Development

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<u>Economic Development, Dept. of</u>			
Economic Development, Dept. of			
Tourism Marketing - AGR	957,809	-95,781	862,028
<b>Total Economic Development, Dept. of</b>	<b>\$ 957,809</b>	<b>\$ -95,781</b>	<b>\$ 862,028</b>

### Department of Education

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<u>Education, Dept. of</u>			
Education, Dept. of			
State Foundation School Aid	\$ 2,384,953,295	\$ -238,495,330	\$ 2,146,457,965
Child Development	11,493,891	-1,149,389	10,344,502
Transportation of Nonpublic Pupils	7,845,479	-784,548	7,060,931
<b>Total Education, Dept. of</b>	<b>\$ 2,404,292,665</b>	<b>\$ -240,429,267</b>	<b>\$ 2,163,863,398</b>

NOTE: For more information about the ATB reduction for schools, see the School Aid section of this document.

**Office of Energy Independence**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<b><u>Energy Independence</u></b>			
Office of Energy Independence			
Iowa Power Fund	\$ 24,000,000	\$ -2,400,000	\$ 21,600,000
<b>Total Energy Independence</b>	<b>\$ 24,000,000</b>	<b>\$ -2,400,000</b>	<b>\$ 21,600,000</b>

NOTE: This reduction will impact financial assistance to entities for research or business related to energy efficiency programs.

**Executive Council**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<b><u>Executive Council</u></b>			
Executive Council			
Performance of Duty	\$ 2,000,000	\$ -200,000	\$ 1,800,000
Court Costs	66,413	-6,641	59,772
Drainage Assessment	22,475	-2,248	20,227
Public Improvements	44,276	-4,428	39,848
<b>Total Executive Council</b>	<b>\$ 2,133,164</b>	<b>\$ -213,317</b>	<b>\$ 1,919,847</b>

**Legislative Branch**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<b><u>Legislative Branch</u></b>			
House of Representatives			
House	\$ 11,158,528	\$ 0	\$ 11,158,528
Senate			
Senate	\$ 7,443,141	\$ 0	\$ 7,443,141
Joint Expenses of Legislature			
Joint Legislative Expenses	\$ 1,233,192	\$ 0	\$ 1,233,192
Citizens' Aide, Office of			
Citizens Aide	\$ 1,484,119	\$ 0	\$ 1,484,119
Legislative Services Agency			
Legislative Services Agency	12,085,134	0	12,085,134
<b>Total Legislative Services Agency</b>	<b>\$ 12,085,134</b>	<b>\$ 0</b>	<b>\$ 12,085,134</b>
<b>Total Legislative Branch</b>	<b>\$ 33,404,114</b>	<b>\$ 0</b>	<b>\$ 33,404,114</b>

NOTE: The Legislative Branch is a separate branch of Government. The Governor does not have statutory authority to issue across-the-board reductions to the Legislative Branch.

## Appendix D – FY 2010 – 10.0% Across-the-Board (ATB) Reduction Implementation Plans

- ATB Implementation Plan: None submitted. However, the Legislative Branch announced implementation of a voluntary reduction of \$3.3 million (10.0%) to the FY 2010 budget. This is the second reduction to the Legislative Branch for FY 2010. During the 2009 Legislative Session, SF 478 (FY 2010 Standing Appropriations Act) reduced the FY 2010 General Fund appropriation estimate by \$2.8 million (7.6%) compared to the FY 2009 General Fund appropriation estimate.
- Positions Eliminated: 6.0 part-time (Session only), no full-time. The part-time positions that will be eliminated include: one assistant chief clerk, one doorkeeper, and four pages. There is a hiring freeze in effect and vacant positions will be held open. All full-time employees will be required to take six furlough days.
- Other impacts: The General Assembly plans to reduce the statutory Session meeting length from 100 days to 80. This will reduce per diem pay by approximately \$310,000 during FY 2010. Constituency pay will be reduced from \$300 per month to \$200 per month for each legislator. Legislative clerks will work reduced hours. Travel expense has also been reduced.

### **Governor's Office**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<b><u>Governor</u></b>			
Governor's Office			
Interstate Extradition	\$ 3,369	\$ -337	\$ 3,032
<b>Total Governor</b>	<b>\$ 3,369</b>	<b>\$ -337</b>	<b>\$ 3,032</b>

### **Department of Public Health**

<b><u>Public Health, Dept. of</u></b>			
Public Health, Dept. of			
Reg. for Congenital & Inherited Disorders	\$ 182,044	\$ -20,684	\$ 161,360
<b>Total Public Health, Dept. of</b>	<b>\$ 182,044</b>	<b>\$ -20,684</b>	<b>\$ 161,360</b>

### **Department of Human Services**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<b><u>Human Services, Dept. of</u></b>			
<b>General Administration</b>			
Commission of Inquiry	\$ 1,549	\$ -155	\$ 1,394
Non Resident Transfers	75	-8	67
Non Resident Commitment Mental Illness	158,669	-15,867	142,802
<b>Total General Administration</b>	<b>\$ 160,293</b>	<b>\$ -16,030</b>	<b>\$ 144,263</b>
<b>Assistance</b>			
MH Property Tax Relief	\$ 81,555,457	\$ -8,155,546	\$ 73,399,911
Child Abuse Prevention	217,772	-43,696	174,076
<b>Total Assistance</b>	<b>\$ 81,773,229</b>	<b>\$ -8,199,242</b>	<b>\$ 73,573,987</b>
<b>Total Human Services, Dept. of</b>	<b>\$ 81,933,522</b>	<b>\$ -8,215,272</b>	<b>\$ 73,718,250</b>



NOTE: For more information about the ATB reduction for the Department of Human Services see the Medicaid section and the ATB section for the Health and Human Services Subcommittee of this document.

### **Department of Management**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<b>Management, Dept. of</b>			
Management, Dept. of			
Special Olympics Fund	\$ 50,000	\$ 0	\$ 50,000
Appeal Board Claims	3,984,786	-398,479	3,586,307
Property Tax Credit Fund	101,395,597	-10,139,560	91,256,037
<b>Total Management, Dept. of</b>	<b>\$ 105,430,383</b>	<b>\$ -10,538,039</b>	<b>\$ 94,892,344</b>

### **Property Tax Credits**

The Homestead Property Tax Credit, the Agricultural Land and Family Farm Tax Credit, the Military Service Tax Credit, and the Elderly and Disabled Tax Credit and Rent Reimbursement are funded from the FY 2010 Property Tax Credit Fund (PTCF). The PTCF received FY 2010 appropriations of \$101.4 million from the General Fund and \$54.7 million from the Cash Reserve Fund and the transfer of \$3.8 million from the ending balance of the FY 2009 Property Tax Credit Fund. The tax credits were to receive the following amounts from the PTCF:

- Homestead Property Tax Credit – \$100.7 million.
- Agricultural Land and Family Farm Tax Credit – \$34.6 million.
- Military Service Tax Credit – \$2.4 million.
- Elderly and Disabled Tax Credit and Rent Reimbursement – \$22.2 million.

The 10.0% ATB reduction was announced in October 2009. At this time, funds for the Military Service Tax Credit and the Agricultural Land portion of the Agricultural Land and Family Farm Tax Credit had already been expended, so no reduction was applied. The Homestead Property Tax credit was reduced by \$4.2 million, and the Family Farm portion of the Agricultural Land and Family Farm Tax Credit was reduced by \$2.2 million, for a total reduction of \$6.4 million.

Section 9 of SF 478 (FY 2010 Standing Appropriations Act) requires the Elderly Property Tax Credit and Rent Reimbursement Credit to be paid at the percentage estimated by the Director of the Department of Revenue based upon data submitted by the county treasurers. The estimate provided on June 15, 2009, was for 100.0% reimbursement. Therefore, all elderly credit claims are to be paid at that 100.0% rate established pursuant to Iowa Code Section 25B.7 until the credits can no longer be paid, and then any remaining claims are held over and paid in the subsequent fiscal year.

For FY 2010, approximately \$6.1 million of the original Elderly Credit appropriation goes to the county for the property tax credit and \$16.1 million goes to rent reimbursement claims filed by individuals directly with the Department of Revenue. The 100.0% total of \$6.1 million for the Elderly Credit will be paid to the counties. Funding for the individual rent reimbursement claims is projected to be exhausted in April of 2010. At that time, all further claims will be held for payment in FY 2011. The FY 2010 shortfall in rent reimbursement is expected to be \$1.4 million. If funding remains at the current

## Appendix D – FY 2010 – 10.0% Across-the-Board (ATB) Reduction Implementation Plans

reduced level for FY 2011, the Director's June 2009 estimate would require both the Elderly Property Tax Credit and rent reimbursements to be prorated to approximately 90.0% of the amount claimed.

### **Department of Public Defense**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<u>Public Defense, Dept. of</u>			
Public Defense, Dept. of			
Compensation and Expense	\$ 382,938	\$ -38,294	\$ 344,644
Total Public Defense, Dept. of	\$ 382,938	\$ -38,294	\$ 344,644

### **Department of Revenue**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<u>Revenue, Dept. of</u>			
Revenue, Dept. of			
Printing Cigarette Stamps	\$ 138,502	\$ -13,850	\$ 124,652
Tobacco Reporting Requirements	21,768	-2,177	19,591
Total Revenue, Dept. of	\$ 160,270	\$ -16,027	\$ 144,243

### **Treasurer of State**

	Estimated FY 2010	ATB Reduction FY 2010	Est Net FY 2010
<u>Treasurer of State</u>			
Treasurer of State			
Health Care Trust Fund Transfer	\$ 117,796,000	\$ -11,779,600	\$ 106,016,400
Total Treasurer of State	\$ 117,796,000	\$ -11,779,600	\$ 106,016,400

NOTE: This reduction impacts funding for Medicaid. For more information see the Medicaid section of this document.

# **Appendix E**

## **School Aid**



## SCHOOL AID – FY 2010, FY 2011, AND FY 2012

### STATE SCHOOL AID

#### Funding for FY 2010

##### **FY 2010 - Brief Background**

During the 2008 Legislative Session, the General Assembly established the FY 2010 allowable growth rate at 4.0% and increased the State cost per pupil by \$222 to \$5,768. Additionally, the General Assembly created per pupil funding for programs previously funded through State categorical appropriations. Beginning in FY 2010:

- The Student Achievement/Teacher Quality (SATQ) Teacher Compensation and Educational Excellence Phase II programs are funded as the teacher salary supplement.
- The SATQ Professional Development Program is funded as the professional development supplement.
- The Early Intervention/Class Size Reduction Program is funded as the early intervention supplement.

The “roll-in” of these State categorical appropriations in FY 2010 was based on the FY 2009 amounts and the allocations to school districts. The total funding for the State categorical supplements for FY 2010 is approximately \$309.0 million and is included in the FY 2010 State school aid appropriation amount.

Additional adjustments were made to FY 2010 school aid during the 2009 Legislative Session. The adjustments to FY 2010 included:

- Allocating \$202.5 million of American Recovery and Reinvestment Act (ARRA) Education Fiscal Stabilization funding to be used in lieu of State aid to school districts for FY 2010.
- Capping the FY 2010 State school aid appropriation at \$2.587 billion and specifying that \$309.0 million be used to fund the State categorical supplements in FY 2010. Capping the State school aid appropriation resulted in a State aid shortfall of \$31.7 million.

##### **FY 2010 – Impact of the 10.0% Across-the-Board (ATB) Reduction**

Implementation of Executive Order Number 19 (FY 2010 10.0% ATB General Fund Reduction) resulted in a reduction of State school aid totaling \$238.5 million. Of that amount:

- Area Education Agencies (AEAs) received a reduction totaling \$11.3 million. Since AEAs have no spending authority, the FY 2010 AEA budgets must be reduced by their portion of the State aid reduction amount.
- School districts received a reduction totaling \$227.2 million. School districts maintain spending authority on the reduced State aid and can use cash-on-hand or borrow funds to cover the FY 2010 State aid reduction. Based on preliminary data from the end of FY 2009, the statewide total for the undesignated/unreserved ending fund balance was \$318.6 million. Enactment of HF 2030 (School Budget Review Committee and School District Unexpended Balances Act) may require some school districts to reduce unexpended fund balances prior to levying cash reserves. The impact of HF 2030 on local property taxes is currently unknown.

School districts receive State aid funding for regular school aid, the teacher salary supplement, the professional development supplement, the early intervention supplement, and preschool formula funding (for school districts with approved programs). The ATB reduction to State aid was implemented on a per pupil basis (\$410.80 per pupil based on weighted enrollments) and is not delineated by program area. School districts have the discretion to make adjustments in funding to specific program areas due to the ATB reduction.

Additionally, the Department of Education has indicated that the FY 2010 10.0% ATB reduction has resulted in maintenance of effort (MOE) issue regarding Federal IDEA<sup>1</sup> Part B funding. The Department has requested a waiver from the U.S. Department of Education to allow Iowa to maintain the current level of IDEA Part B funding.

### **Funding for FY 2011**

#### **FY 2011 – Current Law Estimates**

NOTE: Estimates for FY 2011 are preliminary and subject to change. Variables that are currently estimated include taxable valuations, and at-risk pupil supplementary weightings. Any variations in assumptions used to calculate these variables will impact the information provided below.

During the 2009 Legislative Session, the General Assembly enacted SF 217 (FY 2011 State Categorical Supplement Allowable Growth Rate Act) and SF 218 (FY 2011 Regular School Aid Allowable Growth Rate Act). Enactment of SF 217 established the FY 2011 allowable growth rate at 2.0% for each of the State categorical supplements and resulted in the following:

- Increased each district's teacher salary supplement per pupil amount by \$9.94 and each AEA's teacher salary supplement per pupil amount by \$0.52. Current FY 2011 estimates for the teacher salary supplement total \$256.0 million including \$1.4 million for the budget guarantee provision. The estimated increase in FY 2011 for the teacher salary supplement is \$4.8 million, an increase of 1.9%.
- Increased each district's professional development supplement per pupil amount by \$1.13 and each AEA's professional development supplement per pupil amount by \$0.06. Current FY 2011 estimates for the professional development supplement total \$29.0 million including \$150,000 for the budget guarantee provision. The estimated increase in FY 2011 for the professional development supplement is \$0.5 million, an increase of 1.9%.
- Increased each district's early intervention supplement per pupil amount by \$1.23. The current FY 2011 estimate for the early intervention supplement totals \$29.8 million, an increase of \$0.6 million (1.9%) compared to estimated FY 2010.

Enactment of SF 218 established the FY 2011 regular school aid allowable growth rate at 2.0% and resulted in the following:

- Increased each school district's per pupil amount by \$115, the AEA per pupil special education cost by \$5.07, the AEA media per pupil cost by \$0.94, and the AEA per pupil education services cost by \$1.04. Overall regular State school aid is estimated to total \$2,298.1 million, an increase of \$21.2 million compared to the unadjusted estimate for FY 2010.

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<sup>1</sup> IDEA = Individuals with Disabilities Education Act. This is special education funding for children with disabilities. Part B is for children and youth ages 3 through 21.

- Increased preschool aid funded through the school aid formula by \$14.9 million compared to FY 2010. The estimated FY 2011 preschool aid total of \$48.2 million includes newly approved programs in 49 districts.

Adjustments made to the FY 2010 State school aid appropriation also impact the State school aid increase for FY 2011. Under current law, these adjustments will require a State aid backfill in FY 2011. The FY 2010 adjustments impacting FY 2011 include:

- Capping the FY 2010 State school aid appropriation at \$2,587.5 million. This was \$31.8 million less than the amount needed to fully fund the appropriation amount.
- Using \$202.5 million of ARRA Education Fiscal Stabilization funding in lieu of State aid to fund school aid in FY 2010.
- Implementing the FY 2010 10.0% across-the-board reduction totaling \$238.5 million in October 2009.

Total FY 2011 State school aid is estimated at \$2,661.2 million. This is an increase of \$514.7 million in FY 2011 (displayed on the shaded line) compared to the FY 2010 State aid total without ARRA Education Fiscal Stabilization funds. The following table provides the breakdown for State school aid funding for estimated FY 2010 and estimated FY 2011.

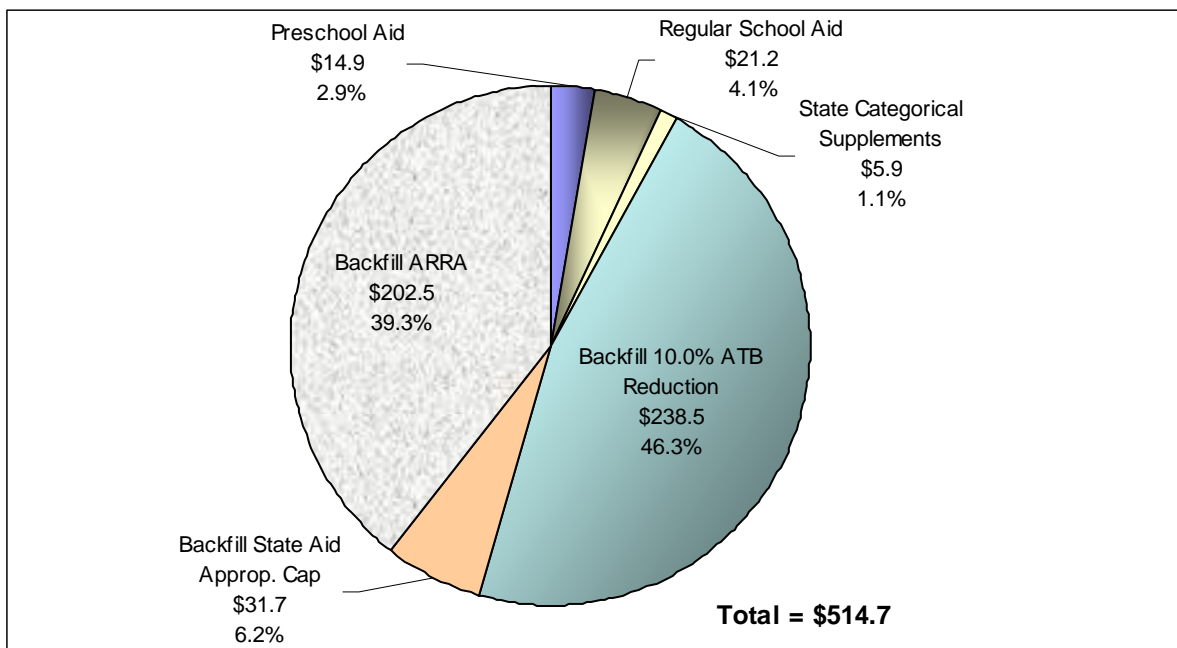
The chart on the following page shows the breakdown of the \$514.7 million increase. Of the total, \$472.7 million (91.8%) is a result of backfilling State school aid reductions while \$42.0 million (8.2%) is due to increases in State aid for preschool aid, regular school aid, and the State categorical supplements.

Estimated FY 2011 school aid property tax is estimated total \$1,247.4 million after adjusting for property tax adjustment aid and is an increase of \$23.8 million compared to estimated FY 2010. The estimated FY 2011 combined district cost represents the amount of budget authority generated through the school aid formula and totals \$3,885.7 million, an increase of \$77.7 million compared to estimated FY 2010.

<b>School Foundation Formula Funding</b> (Dollars in Millions)			
	Estimated FY 2010	Estimated FY 2011	Change
<b>Total Regular School Aid</b>	<b>\$ 2,276.9</b>	<b>\$ 2,298.1</b>	<b>\$ 21.2</b>
<b>Preschool Aid</b>	<b>\$ 33.3</b>	<b>\$ 48.2</b>	<b>\$ 14.9</b>
Teacher Salary Supplement	251.3	256.0	4.8
Professional Development Supplement	28.5	29.0	0.5
Early Intervention Supplement	29.3	29.8	0.6
<b>Total State Categorical Supplement</b>	<b>\$ 309.0</b>	<b>\$ 314.9</b>	<b>\$ 5.9</b>
State Aid Shortfall	-31.7	0.0	31.7
State Aid Change for ARRA Funding	-202.5	0.0	202.5
State Aid Reduction due to ATB Reduction	-238.5	0.0	238.5
<b>Total State Aid Adjustments</b>	<b>\$ -472.7</b>	<b>\$ 0.0</b>	<b>\$ 472.7</b>
<b>Total State Aid from State General Fund</b>	<b>\$ 2,146.5</b>	<b>\$ 2,661.2</b>	<b>\$ 514.7</b>
<b>ARRA Education Stimulus</b>	<b>\$ 202.5</b>	<b>\$ 0.0</b>	<b>\$ -202.5</b>
<b>Total School Aid State/ARRA Funding</b>	<b>\$ 2,349.0</b>	<b>\$ 2,661.2</b>	<b>\$ 312.2</b>
Total Unadjusted Foundation Property Tax	\$ 1,247.6	\$ 1,296.8	\$ 49.2
Property Tax Adjustment Aid (from GF)	-24.0	-24.0	-0.0
Property Tax Adjustment Aid (from PTER)	N.A.	-25.4	-25.4
<b>Total Foundation Property Tax</b>	<b>\$ 1,223.6</b>	<b>\$ 1,247.4</b>	<b>\$ 23.8</b>
<b>Combined District Cost</b>	<b>\$ 3,808.0</b>	<b>\$ 3,885.7</b>	<b>\$ 77.7</b>
Notes: ARRA = American Recovery and Reinvestment Act. ATB = Across-the-Board GF = General Fund. PTER = Property Tax Equity and Relief Fund. FY 2011 estimates are based on a 2.0% allowable growth rate and a statewide 3.9% increase in taxable valuations. Combined district cost represents the total school foundation funding amount and is not impacted by a reduction in State school aid. Totals may not sum due to rounding.			



**Breakdown of FY 2011 State School Aid Increases**  
(Dollars in Millions)



### FY 2011 – Alternatives

Because of the impact of the recession on Iowa tax revenues, fully funding of the school aid formula under current law may not be possible. Some options differing from current law are presented in this section. These options do not represent all options available, but are presented to provide information on the cost of alternatives. The figure on the following page provides a school aid estimates matrix for FY 2011. State categorical supplement allowable growth rates are provided horizontally on the top of the matrix and regular school aid allowable growth rates are provided vertically down the left side of the matrix. The current law estimate is provided in the shaded box in the matrix (at 2.0% allowable growth rate for both regular school aid and the State categorical supplements). Analysis of the information provided in the matrix includes:

- Establishing the FY 2011 allowable growth rate at 0.0% for both regular school aid and the State categorical supplements. This will reduce total State school aid by \$62.5 million compared to the current law estimate for FY 2011. Additionally, the total property taxes are estimated to increase approximately \$18.0 million due to a significant increase in the budget guarantee provision compared to the current law estimate.
- Lowering the State categorical allowable growth rate to -1.0% and the regular school aid allowable growth rate to -5.0%. This will result in a decrease in State aid of approximately \$210.2 million compared to the current law estimate for FY 2011. Under this scenario, the budget guarantee would increase \$155.4 million and would lead to an increase in school aid property taxes totaling approximately \$122.0 million compared to the current law estimate.

Reducing the FY 2011 State categorical supplement allowable growth rate(s) to a rate(s) of less than zero will not significantly reduce FY 2011 State aid for the State categorical supplements because the budget guarantee for the State categorical supplements is funded entirely through State aid. School districts and AEAs are held harmless in FY 2011, meaning that at a minimum, districts and AEAs will not receive less for the State categorical supplements than they received in FY 2010. However, a negative allowable

## School Aid

growth rate(s) for the FY 2011 State categorical supplements may result in a decrease in funding for the State categorical supplements in FY 2012.

Legislative Services Agency: FY 2011 School Aid Estimates Matrix - Estimates at Various Allowable Growth Rates (Dollars in Millions)										
Regular School Aid Allowable Growth Rate	State Categorical Supplement Allowable Growth Rates	2.0%		1.0%		0.0%		-1.0%		
		Change from Current Law		Change from Current Law		Change from Current Law		Change from Current Law		
		Total		Total		Total		Total		
2.0%	Regular State School Aid	\$ 2,298.1	\$ 0.0	\$ 2,298.1	\$ 0.0	\$ 2,298.1	\$ 0.0	\$ 2,298.1	\$ 0.0	
	Preschool Formula State Aid	48.2	0.0	48.2	0.0	48.2	0.0	48.2	0.0	
	State Categorical Supplement	314.9	0.0	312.8	-2.1	311.0	-3.8	309.9	-5.0	
	<b>Total State School Aid</b>	<b>\$ 2,661.2</b>	<b>\$ 0.0</b>	<b>\$ 2,659.1</b>	<b>\$ -2.1</b>	<b>\$ 2,657.3</b>	<b>\$ -3.8</b>	<b>\$ 2,656.2</b>	<b>\$ -5.0</b>	
	School Aid Property Tax	1,247.4	0.0	1,247.4	0.0	1,247.4	0.0	1,247.4	0.0	
	Budget Guarantee	25.5	0.0	25.5	0.0	25.5	0.0	25.5	0.0	
	State Categorical Budget Guarantee	1.7	0.0	2.7	1.0	4.0	2.3	5.9	4.2	
1.0%	Regular State School Aid	\$ 2,269.4	\$ -28.6	\$ 2,269.4	\$ -28.6	\$ 2,269.4	\$ -28.6	\$ 2,269.4	\$ -28.6	
	Preschool Formula State Aid	47.8	-0.5	47.8	-0.5	47.8	-0.5	47.8	-0.5	
	State Categorical Supplement	314.9	0.0	312.8	-2.1	311.0	-3.8	309.9	-5.0	
	<b>Total State School Aid</b>	<b>\$ 2,632.1</b>	<b>\$ -29.1</b>	<b>\$ 2,630.0</b>	<b>\$ -31.1</b>	<b>\$ 2,628.3</b>	<b>\$ -32.9</b>	<b>\$ 2,627.1</b>	<b>\$ -34.1</b>	
	School Aid Property Tax	1,253.5	6.1	1,253.5	6.1	1,253.5	6.1	1,253.5	6.1	
	Budget Guarantee	36.9	11.3	36.9	11.3	36.9	11.3	36.9	11.3	
	State Categorical Budget Guarantee	1.7	0.0	2.7	1.0	4.0	2.3	5.9	4.2	
0.0%	Regular State School Aid	\$ 2,240.3	\$ -57.8	\$ 2,240.3	\$ -57.8	\$ 2,240.3	\$ -57.8	\$ 2,240.3	\$ -57.8	
	Preschool Formula State Aid	47.3	-0.9	47.3	-0.9	47.3	-0.9	47.3	-0.9	
	State Categorical Supplement	314.9	0.0	312.8	-2.1	311.0	-3.8	309.9	-5.0	
	<b>Total State School Aid</b>	<b>\$ 2,602.5</b>	<b>\$ -58.7</b>	<b>\$ 2,600.4</b>	<b>\$ -60.8</b>	<b>\$ 2,598.6</b>	<b>\$ -62.5</b>	<b>\$ 2,597.5</b>	<b>\$ -63.7</b>	
	School Aid Property Tax	1,265.4	18.0	1,265.4	18.0	1,265.4	18.0	1,265.4	18.0	
	Budget Guarantee	53.8	28.3	53.8	28.3	53.8	28.3	53.8	28.3	
	State Categorical Budget Guarantee	1.7	0.0	2.7	1.0	4.0	2.3	5.9	4.2	
-1.0%	Regular State School Aid	\$ 2,211.1	\$ -86.9	\$ 2,211.1	\$ -86.9	\$ 2,211.1	\$ -86.9	\$ 2,211.1	\$ -86.9	
	Preschool Formula State Aid	46.8	-1.4	46.8	-1.4	46.8	-1.4	46.8	-1.4	
	State Categorical Supplement	314.9	0.0	312.8	-2.1	311.0	-3.8	309.9	-5.0	
	<b>Total State School Aid</b>	<b>\$ 2,572.9</b>	<b>\$ -88.3</b>	<b>\$ 2,570.8</b>	<b>\$ -90.4</b>	<b>\$ 2,569.0</b>	<b>\$ -92.2</b>	<b>\$ 2,567.9</b>	<b>\$ -93.3</b>	
	School Aid Property Tax	1,284.0	36.7	1,284.0	36.7	1,284.0	36.7	1,284.0	36.7	
	Budget Guarantee	77.2	29.0	77.2	51.7	77.2	51.7	77.2	51.7	
	State Categorical Budget Guarantee	1.7	0.0	2.7	1.0	4.0	2.3	5.9	4.2	
-2.0%	Regular State School Aid	\$ 2,182.5	\$ -115.5	\$ 2,182.5	\$ -115.5	\$ 2,182.5	\$ -115.5	\$ 2,182.5	\$ -115.5	
	Preschool Formula State Aid	46.4	-1.9	46.4	-1.9	46.4	-1.9	46.4	-1.9	
	State Categorical Supplement	314.9	0.0	312.8	-2.1	311.0	-3.8	309.9	-5.0	
	<b>Total State School Aid</b>	<b>\$ 2,543.8</b>	<b>\$ -117.4</b>	<b>\$ 2,541.7</b>	<b>\$ -119.5</b>	<b>\$ 2,539.9</b>	<b>\$ -121.2</b>	<b>\$ 2,538.8</b>	<b>\$ -122.4</b>	
	School Aid Property Tax	1,303.9	56.5	1,303.9	56.5	1,303.9	56.5	1,303.9	56.5	
	Budget Guarantee	101.7	53.4	101.7	76.1	101.7	76.1	101.7	76.1	
	State Categorical Budget Guarantee	1.7	0.0	2.7	1.0	4.0	2.3	5.9	4.2	
-5.0%	Regular State School Aid	\$ 2,096.2	\$ -201.9	\$ 2,096.2	\$ -201.9	\$ 2,096.2	\$ -201.9	\$ 2,096.2	\$ -201.9	
	Preschool Formula State Aid	44.9	-3.3	44.9	-3.3	44.9	-3.3	44.9	-3.3	
	State Categorical Supplement	314.9	0.0	312.8	-2.1	311.0	-3.8	309.9	-5.0	
	<b>Total State School Aid</b>	<b>\$ 2,456.0</b>	<b>\$ -205.2</b>	<b>\$ 2,453.9</b>	<b>\$ -207.2</b>	<b>\$ 2,452.2</b>	<b>\$ -209.0</b>	<b>\$ 2,451.0</b>	<b>\$ -210.2</b>	
	School Aid Property Tax	1,369.4	122.0	1,369.4	122.0	1,369.4	122.0	1,369.4	122.0	
	Budget Guarantee	180.9	132.7	180.9	155.4	180.9	155.4	180.9	155.4	
	State Categorical Budget Guarantee	1.7	0.0	2.7	1.0	4.0	2.3	5.9	4.2	
Notes:										
FY 2011 current law estimates are based on allowable growth rates of 2.0% for regular school aid and the State categorical supplements (presented in the shaded square).										
Estimates are based on an assumed Statewide taxable valuation increase of 3.9% for FY 2011.										
Program used: Schlaid_V2.4_FY10										

Additional information regarding FY 2011 allowable growth alternatives can be found in the LSA *Issue Review*, [School Aid Funding for FY 2010 and FY 2011](#). The LSA can also provide additional information on other options upon request.

### FY 2011 – Governor's State School Aid Recommendation

The Governor is recommending leaving the FY 2011 allowable growth rate at 2.0% for regular school aid and the State categorical supplements. Additionally, the Governor is recommending the following to fund FY 2011 State school aid:

- Funding State school aid at a total of \$2,494.1 (total of General Fund, ARRA, and Cash Reserve Fund), which is approximately \$170.2 million below the Governor's estimate to fully fund State school aid for FY 2011.
- Using \$47.9 million in American Recovery and Reinvestment Act (ARRA) Education Fiscal Stabilization and Government Services funding in lieu of State General Fund dollars.
- Using \$100.0 million from the State Cash Reserve Fund to replace State General Fund dollars.

The following table provides the detail of the Governor's FY 2011 School aid recommendation. The FY 2011 General Fund built-in increase based on the Governor's recommendation totals \$199.7 million, while the amount of State aid (including ARRA and Cash Reserve Fund) is \$170.2 million less than the estimated amount needed to fully fund the State's portion of the 2.0% allowable growth rate. With no reduction in the FY 2011 allowable growth rate or State cost per pupil, school districts will maintain the budget authority on their portion of the unfunded State school aid. School districts may address the State aid shortfall by reducing costs, borrowing funds to replace the State aid shortfall, or using cash reserves to replace the State aid shortfall.

<b>Governor's Recommendation for FY 2011 State School Aid Funding</b> (Dollars in Millions)			
	Estimated FY 2010	Governor's Recommendation FY 2011	Change
<b>Total Regular School Aid</b>	<b>\$ 2,276.9</b>	<b>\$ 2,302.1</b>	<b>\$ 25.2</b>
<b>Preschool Aid</b>	<b>\$ 33.3</b>	<b>\$ 47.3</b>	<b>\$ 14.0</b>
Teacher Salary Supplement	251.3	256.0	4.8
Professional Development Supplement	28.5	29.0	0.5
Early Intervention Supplement	29.3	29.8	0.6
<b>Total State Categorical Supplement</b>	<b>\$ 309.0</b>	<b>\$ 314.9</b>	<b>\$ 5.9</b>
<b>Total School Aid Prior to Adjustments*</b>	<b>\$ 2,619.2</b>	<b>\$ 2,664.3</b>	<b>\$ 45.1</b>
State Aid Shortfall	-31.7	-170.2	-138.5
State Aid Change for ARRA Funding	-202.5	-48.0	154.5
State Change for Cash Reserve Fund	N.A.	-100.0	-100.0
State Aid Reduction due to ATB Reduction	-238.5	0.0	238.5
<b>Total State Aid Adjustments</b>	<b>\$ -472.7</b>	<b>\$ -318.2</b>	<b>\$ 154.5</b>
<b>Total State Aid from State General Fund</b>	<b>\$ 2,146.5</b>	<b>\$ 2,346.1</b>	<b>\$ 199.6</b>
<b>ARRA Education Stimulus</b>	<b>\$ 202.5</b>	<b>\$ 48.0</b>	<b>\$ -154.5</b>
<b>Cash Reserve Fund</b>	<b>N.A.</b>	<b>\$ 100.0</b>	<b>\$ 100.0</b>
<b>Total School Aid - All Sources</b>	<b>\$ 2,349.0</b>	<b>\$ 2,494.1</b>	<b>\$ 145.1</b>
<b>Unfunded State School Aid</b>	<b>\$ 270.2</b>	<b>\$ 170.2</b>	<b>\$ -100.0</b>

\*Estimated amount required to fully fund State's portion of the school finance formula.

## School Aid

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Maintaining the allowable growth rate at 2.0% for FY 2011, using one-time funds (ARRA and State Cash Reserve funds), and not fully funding the State school aid portion will impact the FY 2012 school aid amounts. Although the FY 2012 allowable growth rate won't be addressed during the 2010 Legislative Session, the amount that will be required to be backfilled based on the Governor's recommendation totals \$318.2 million. Included in this total:

- \$170.2 million due to the State aid shortfall.
- \$48.0 million to replace the ARRA funding used in lieu of State General Fund dollars..
- \$100.0 million to replace the Cash Reserve funding used in place to State General Fund dollars.

### **FY 2012 School Aid**

Enactment of SF 2045 (Regular School Aid Allowable Growth Rate Act) and SF 2046 (State Categorical Supplement Allowable Growth Rate Act) on January 20, 2010, delayed the establishment of the FY 2012 allowable growth rates until the 2011 Legislative Session. Information regarding FY 2012 school aid estimates can be obtained upon request from the Legislative Services Agency.

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